

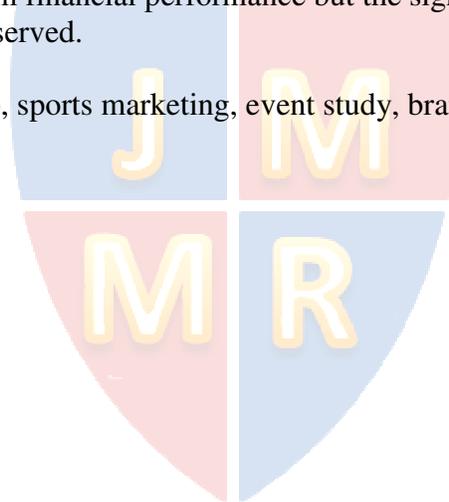
The worth of sport event sponsorship: an event study

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Abstract

The authors investigate the relationship between sports-related event sponsorship and stock market valuation and identify factors that influence the financial rewards of sponsorship using World Cup and PGA tour sponsorship data. In particular, relationship between sports sponsorship with financial performance is examined in terms of sponsorship fit, event characteristics, and brand equity. Event study results show that sponsorship for World Cup and PGA is positively related to abnormal stock returns for sponsors but not every sponsor enjoys significantly positive cumulative abnormal returns. Regression analysis indicates that unexpectedly brand equity and U.S. country of origin is negatively associated with financial performance. However, U.S. sponsors with top brand value boost their abnormal stock return. Product fit enhances short-term financial performance but the significant impact of event type on financial outcome was not observed.

Keywords: sports sponsorship, sports marketing, event study, brand equity, sponsorship fit



Introduction

Many companies make investment to sponsor the big sports events such as Olympic, World Cup and popular sports games. Although being official sponsor requires a huge amount of financial resource, it is expected to create more favorable outcomes including profit increase, improved stock returns, and positive advertising effect. While sports sponsorships were 7.8% of the size of advertising expense in 1985, they were 13.9% of the size in 2006 (BMI Sport info). Coca-Cola spent \$40 million to become an official sponsor of 1996 Olympic Games and an estimated \$500 million to maintain this sponsor status (Shani and Sandler, 1996). Sponsorship opportunities are increasing for companies to connect their brands with the world's most recognized sporting event (Syracuse, 2004). For example, Bridgestone responded quickly when electronics firm NEC announced to drop sponsorship of the PGA tournament. Bridgestone was eager to raise awareness for Bridgestone Golf on the consumer level, and to develop a unique story against its competitors on trade level (Meyer, 2006).

Given this, marketers have paid attention to the effectiveness of sports-related event sponsorship. The effect of sports sponsorship has been examined either in terms of consumer psychology or financial perspectives. However, comprehensive explanation on effect of sponsorship on financial performance and consumer behavior mechanism have different point of view. Consumer psychological approach focuses on process in which sports sponsorship is transferred into behavioral intention based on cognitive and affective psychological mechanism. Meanwhile, scholars who approach to sponsorship in terms of stock market return tend to pay most attention to financial performance or outcome. Therefore, benefits of sponsorship mentioned above have not been fully investigated because there is no integrative approach to sponsorship.

Motivated by this gap, authors attempt to provide comprehensive understanding of sports sponsorship by taking both different approaches into account. The objective of this study is to investigate association between sports sponsorship and financial performance and to identify sponsorship characteristic that can enhance financial performance. In particular, relationship between sports sponsorship with financial performance is examined in terms of sponsorship fit, event characteristics, and brand equity. Based on literature review, a conceptual framework is developed and empirical testing is conducted using World Cup held in 1998, 2002, and 2006 and PGA golf tour in 2006 season case. Then, discussion about research findings and implication are followed by empirical study.

Literature Review on Sponsorship

Sponsorship refers to “provision of assistance either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial objectives” (Meenaghan, 1983). Sports sponsorship makes it possible to link the aspiration and passion of a target audience to specific sports (Arun, 2004). In general, sponsorship holds a unique position in the marketing mix because it is effective in building brand awareness, providing differentiated marketing platforms, facilitating direct business benefits and providing valuable networking and hospitality opportunities (ADREVIEW). The number of companies sponsoring events has increased over the past decade.

However, it is somewhat unclear how the effectiveness of event marketing activities can be measured. As mentioned earlier, approach to sports sponsorship can be divided into two

research stream (see Table 1). One is the consumer psychology approach which incorporates effect of sports sponsorship in terms of consumers' awareness, recognition, and behavioral intentions. The other approach focuses on grasping the potential contribution of sports sponsorship to positive or negative changes in stock price. The effect of sponsorship on firm value in the stock market can be investigated in financial perspective.

Table 1. Literature Review on Sponsorship Effects

Approach	Researchers	Contents	Sample
Consumer psychological approach	Speed and Thompson, 2000	Conceptual framework about the effect of sponsor-event fit, perceived sincerity of the sponsor, perceived ubiquity of the sponsor and attitude towards the sponsor on favorable response	
	Bennett, Henson and Zhang, 2002	Action sports sponsor and athlete recognition by members of the Generation Y market	Action sports sponsorships
	Koo, Morris and Flynn, 2006	The effect of perceived brand/sport event image fit on consumers' cognitive and affective responses, and examined the effects of consumers' cognitive and affective responses on purchase intentions	2003 College Bowl Championship Series
	Miloch and Lambert, 2006	The influence of consumer awareness of sponsorship on recall, recognition rates and purchase intentions	Grassroots and niche sport
	Mason and Cochetel, 2006	Brand awareness after a change in sponsor and audience perceptions about the sponsors and the event before and after the change	
	Harvey, Gray and Despain, 2006	Effect of sports sponsorship on ARS persuasion test	Advertising on the internet.
	Financial performance approach	Miyazaki and Morgan, 2001	Market value of corporate sponsorship
Kim and Morris, 2003		Stock price performance for the companies that advertised in Super Bowl	Super Bowl ads
Prutt, Cornwell and Clark, 2004		Impact of NASCAR sponsorship announcements on the stock prices of sponsoring firms	NASCAR
Sneath, Finney and Close, 2005		Outcomes associated with an automobile manufacturer's sponsorship	A six-day charitable sporting event

Consumer Psychological Approach

Consumer psychological approach to sports sponsorship has focused on consumers' cognitive and affective response. For example, awareness of sports sponsorship and brand name, recognition of sports events after termination and image fit between events and sponsor are good example of research steam in perspective of consumer psychology and behavior (Bennett, Henson and Zhang, 2002; Koo, Morris and Flynn, 2006; Miloch and Lambert, 2006; Mason and Cochetel, 2006; Harvey, Gray and Despain, 2006).

Financial Evaluation Approach

With the increased use of event study on sports-related sponsorships, marketers are able to assess the economic value of sponsorship. Much effort has been made to investigate the influence of sports sponsorship on response in stock market using event study. Abnormal stock return has been a good indicator to identify stock price changes in stock market because of sports sponsorship (Miyazaki and Morgan, 2001; Kim and Morris, 2003; Prutt, Cornwell and Clark, 2004; Sneath, Finney and Close, 2005).

Development of Research Framework

The Financial Impact of Sponsorship

As noticed earlier, many scholars proved that sponsorship may lead to increased financial performance using event study method. In these studies, sponsor's effort to contribute to make sport event successful would be converted to investor's positive evaluation of that sponsor company in two ways.

On one hand, being an official sponsor can be accepted in terms of advertising as reliable appeal to consumers, investor and shareholders as well. Because we are living in the society flooded with mass advertising using mass media, undifferentiated advertising has little effect on consumer purchase and stock market value. In this sense, sports sponsorship, as unique advertising, is expected to persuade the existing investor and shareholder to invest additionally or to attract new investors to buy the stocks of the sponsoring company. The relationship between sports sponsorship and firm value has been identified using data on Olympic and NASCR sponsors (Miyazaki and Morgan, 2001; Prutt, Cornwell and Clark, 2004).

On the other hand, sponsoring company may enjoy the positive and socially responsible image from sports sponsorship. Investors might have favorable impression to sponsoring company because they believe sponsors make much effort to facilitate sports all over the world and to provide scholarship for sports player. Similarly, by sponsoring sports event, company may offer job opportunity to many sports player to continue to play on the ground or court under the stable financial environment. Given this, sponsoring company can be accepted as good fellows that fully understand social responsibility, resulting in increased investment from investors. Therefore, sports sponsorship is expected to improve the financial value of sponsoring firm.

The Effect of Brand Equity

As a "nontraditional" communication tool, event sponsorship becomes more effective

and appropriate for those who are insensitive to mass marketing activities from the perspective of customer-based brand equity. Sports events sponsorship may form secondary association from primary attribute associations related to the company, the country of origin, the distribution channels, a celebrity spokesperson or endorser of the product or service, or event. If a brand becomes associated with particular event, that event may be characterized by a set of brand associations and the event may become indirectly associations with the brand (Keller, 1993).

In addition, sponsorship makes it possible to segment a market according to interests or psychographics of target audience and thereby improves awareness by linking the brand to a highly valued event or organization (Crimmins and Horn, 1996). Big sports events such as Olympic and NASCAR are potential opportunities to create positive brand image and to increase brand awareness, resulting in improved brand equity. This consumer psychological mechanism can be applied to explain the relationship between sports sponsorship and improvement in financial performance. Therefore, firm's value because of sponsorship can be boosted or reduced by whether brand equity is high or low.

The Effect of Sponsorship Fit

In consumer research, schema theory has been used to examine whether congruent information results in more favorable affective consumer behavior outcome (Koo et al, 2004). The various sports events for marketing communication can be classified based on two main dimensions: the width and depth of the interest in the event (Shani and Sandler, 1996):

- Global events: World Cup, Summer Olympic
- International events: Pan American Games, Tour De France, U.S. Open
- National events: NCAA Final Four, World Series, Super Bowl
- Regional events: New York Marathon, Big East Conference
- Local events: High school football, Minor League baseball, Race for Cure

This hierarchical structure of sports events may provide guideline to select appropriate sports event. To a company which eager to transform to be globally, global sports event can be a good option for sponsorship. If a company wants to contribute development of local community sports, local events is candidate for sponsoring.

However, if there is unbalance between sports events and sponsoring company, positive changes in firm value due to sponsorship may be marginal or even decreased. If a brand new or local company provides sponsorship of global sports event such as Olympic, consumer and investor would be astonished and try to reduce big value gap between event and sponsoring company. In this process, investors are likely to depreciate rather than to appreciate value sponsoring company. Therefore, investors are unlikely to consider low fit sponsorship with sport event as valuable or successful one.

The Effect of Event characteristics

Types and period of sports event might have impact on financial performance. Sponsorship of popular sports event could result in more favorable outcomes than that of less popular or local sport event. For example, sponsorship of National Football League(NFL) which is one of the most popular sports can be an effective alternative for U.S. market but it is not likely to have global effect to global people.

Also, whether short term event or long term event is criteria making a difference in

changes in firm value because of sports sponsorship. Naturally, sponsorship of weekly tour tournament such as tennis or golf may have less impact on response in the stock market than that of Olympic and FIFA World Cup held for almost one month every four year.

Research Setting

Methodology

The event study methodology is used to assess the impact of event's unexpected information on the firm's stock process. The efficient market hypothesis asserts that a stock price reflects all public information about the firm, thus only unexpected information can change the price of a stock (Fama, Fisher, Jensen and Roll, 1969). The stock's abnormal return, the difference between the expected returns based on general market movement and the actual returns, provides an unbiased estimate of the economic worth of the event. In marketing area, event study approach has been used to examine the financial consequences of the relationship structure (Houston and Johnson, 2000), to assess the impact of celebrity endorsement contracts on the unexpected profitability of a firm (Agrawal and Kamakura, 1995), and to evaluate how the stock market return associated with a brand extension announcement depends on brand equity components (Lane and Jacobson, 1995). Commonly, event study follows four basic steps; identifying an event to be studied, modeling the expected shareholder returns, estimating the unexpected shareholder returns and analyzing the unexpected returns (Kim and Morris, 2003).

Based on the process of event study, this study attempts to investigate the abnormal stock return following sports event and uses the CRSP Value Equally Weighted Return as the return on market index. After cumulative abnormal stock return is computed, regression modeling was conducted to estimate CAR during sport events based on the independent variables identified earlier.

Data and Measurement

Data was collected past World Cup held in 1998, 2002, and 2006 and 2006 PGA not dealt in the marketing literature. This study gathered data about three consecutive World Cup data and PGA 2006 season from their official website. For simplicity, companies which are not identified as sponsor or have no information about stock price during the event are eliminated from data.

Brand equity was measured with Global Brand Value(GBV) from Business Week and Interbrand. Rather than continuous variables for brand value, dummy variable was used to measure whether top 100 global one or not. In an effort to examine the country-of origin effect, dummy for U.S. companies was included.

We assessed the impact of fit with two variables. First, we coded sponsorships in terms of geographic fit. As 2002 Korea-Japan Worldcup was held in Korea and Japan, sponsorship by NTT, a Japanese company and KT, a Korean company fit well. Second, we also assessed the sport event-company fit with a variable we call "product fit." Assuming sport event arouses emotional atmosphere, we treated entertainment related product or service fits better with sport event. Event characteristics was divided into two categories to identify the difference in financial performance between Worldcup and PGA golf tour

The daily stock price and market indices are obtained from the Wharton Research Data Service (WRDS) at the University of Pennsylvania. The data origin is the Center for Research in

Security Price (CRSP) at the University of Chicago. The cumulative abnormal returns for the event period can be calculated by adding all the abnormal returns in the event period.

Table 2. Mean Cumulative Abnormal Returns of World Cup Sponsors

Windows	[-30 -2]	[-1 0]	[1 5]	[1 30]
1998 World Cup: 10 June to 12 July				
Fuji Photo Film Co.	-7.26	1.64	6.22*	10.5
Canon Inc.	-0.56	0.36	6*	1.53
Anheuser-Busch	5.48	1.41	1.04	10.43
Gillette Co.	6.91	-1.5	-2.55	-2.09
General Motors	-4.49	1.4	-5.63*	-2.42
CocaCola Co.	13.36*	1.13	1.03	3.8
McDonald's Corp.	15.97**	-1.06	1.17	5.33
	4.2	0.48	1.04	3.87
2002 World Cup: 31 May to 30 June				
Fuji Photo Film Co.	3.53	-0.71	3.35	7.16
Nippon Telephone and Telegraph Co. ADR	18.94	1.74	5.25	4.36
KT Corporation	4.99	-1.85	2.34	4.6
Philips Electronics NV	3.92	-3.41	-6.54	-9.08
Avaya Inc	9.3	3.01	-8.36	-45.56**
Anheuser-Busch	1.23	1.68	3.28	9.35
Gillette Co.	3.6	1.38	3.35	-1.97
Fuji Xerox	-2.18	0.2	-5.65	-18.79
CocaCola Co.	3.12	2.35	0.8	7.27
McDonald's Corp.	12.72*	-0.47	3.46	1.38
Yahoo Inc.	8.98	-3.64	2.5	-4.28
	6.19*	0.03	0.34	-4.14
2006 World Cup: 09 June to 09 July				
Fuji Photo Film Co.	3.53	-0.71	3.35	7.16
Philips Electronics NV	-8.41*	-1.79	-0.7	11.32**
Avaya Inc	11.29	-1.31	1	-5.69
Anheuser-Busch	6.5	0.9	1.95	6.64
CocaCola Co.	9.17***	1.21	1.2	4.08
McDonald's Corp.	2.97	1	0.65	7.04
Yahoo Inc.	-2.04	0.26	1.34	-6.44
Deutsche Telekom	3.02	0.51	-1.62	-2.37
	2.94*	-0.13	0.55	2.24
Total	4.66	0.1	0.12	-0.02

* significant at 0.05, ** significant at 0.01, *** significant at 0.001

Results and Discussion

Event Study Result and Discussion

This event study is applied to World Cup and PGA. The expected shareholder returns are predicted using the past returns during the estimation period, a control period of time before date of events. Thus, the estimation period reflects a period not influenced by the events. This study set the estimation period as 255 days for World Cup and PGA for 60 days before events.

Table 3. Mean Cumulative Abnormal Returns of PGA 2006 Sponsors

Event Date	Event Name	[-5 -2]	[-1 0]	[0 1]	[1 3]	[1 5]
0112	Sony Open in Hawaii	0.14	5.43****	0	-4.5**	-5.4**
0118	Bob Hope Chrysler Classic	-0.8	-3.2**	-1.6	-1	4.46*
0202	FBR Open	-1.4	1.44	-2.4	-2.8	-5.6
0216	Nissan Open	5.15****	-2*	-0.2	2.11	0.2
0223	Chrysler Classic of Tucson	-7.1****	-0.9	-1.4	-0.5	-1.1
0302	Ford Championship at Doral	-4	-4.8**	-4.7**	1.54	3.18
0309	The Honda Classic	-0.2	1.18	1.55	1.87	0.75
0330	BellSouth Classic	0.11	-1.1	-1.2	0.69	-1.5
0413	Verizon Heritage	-2	-0.4	-1.9*	-2.2*	-2.9*
0420	Shell Houston Open	2.21	-1.8	2.07*	3.23**	1.73
0504	Wachovia Championship	3.99**	-1.7*	0.22	-7.2****	-4.7****
0518	Bank of America Colonial	2.63**	-1.2	-0.2	1.16	1.71
0525	FedEx St. Jude Classic	-0.6	-0.8	-1.8	1.26	1.31
0901	Deutsche Bank Championship	-0.5	-0.2	0.39	-0.8	0.09
0921	Valero Texas Open	-4	-1.8	0.55	0.59	3.48
0922	Ryder Cup	0.1	-2.1	1.11	4.34*	0.54
0928	World Golf Championships- American Express Championship	3.19**	-0.4	0.17	1.09	0.59
1005	Chrysler Classic of Greensboro	-0.1	-0.4	-2	-1.9	-0.8
1026	Chrysler Championship	1.56	4.29**	0.16	3.54*	5.68**
1102	THE TOUR Championship presented by Coca-Cola	-1.3	1.27	-0.3	-0.9	-1.5
1110	Merrill Lynch Shootout	0.7	-0.1	1.52	-0	0.5
1113	Wendy's 3 Tour Challenge	-0.3	0.87	-0.3	-0.1	-7.9****
1214	Target World Challenge presented by Countrywide	-0.4	3.01**	0.09	-1.3	-2.8
		-0.13	-0.23	-0.44	-0.08	-0.43

Using the actual event period data and CRSP Value Equally Weighted Return data, every expected return for the event period, abnormal returns and cumulative abnormal returns were computed for sponsors of World Cup and PGA tour. Mean cumulative abnormal stock returns for World Cup 1998, 2002, and 2006 are calculated as shown in the Table 2.

Event study for World Cup shows that there are several significant abnormal returns of individual company for specified window but no clear evidence for CAR not being equal to zero. In the 1998 World Cup, CAR is 4.1, 0.48, 1.04, and 3.87 for window [-30 -2], [-1 0], [1 5] and [1 30] respectively, indicating that positive CAR is not significant but appears present.

Abnormal returns for PGA 2006 are listed in the Table 3. Compared to World Cup result, PGA result shows that CAR is negative value for every window. Result shows that the CAR increases right after beginning of the event until day 3 and decrease thereafter. It confirms that events make it possible to shortly appeal consumers and investors to be paid attention.

Regression Result and Discussion

Unfortunately, because significant CAR is not observed, additional analysis necessary for testing focused on identifying determinants than enhance financial performance. The significant CAR of each sponsoring individual firm is used as dependent variable in OLS(Ordinary Least Square) regression analysis. Table 4 displays the result of OLS regression that shows impacts of brand value, sponsorship fit, and event type on CAR [1, 5].

Table 4. Regression Result (Dependent variable = CAR [1, 5])

	B	Std. Error	Sig.	B	Std. Error	Sig.
(Constant)	3.029	1.247	**	2.925	1.752	n.s.
Brand Equity						
US	-4.597	1.598	***	-4.609	1.652	***
Top100	-6.965	1.786	****	-6.99	1.836	****
US*Top100	7.952	2.315	****	7.996	2.41	***
Event Characteristics						
Event	0.689	1.206	n.s.	0.79	1.574	n.s.
Year1				0.24	1.691	n.s.
Year2				0.005	1.83	n.s.
Sponsorship Fit						
GeoFit	-0.685	1.245	n.s.	-0.687	1.284	n.s.
ProductFit	2.784	1.577	*	2.769	1.655	n.s.
Geo*ProductFit	-0.069	1.917	n.s.	-0.019	2.079	n.s.
significance	0.007			0.027		
n	49			49		
R square	0.359			0.359		
Adjusted R square	0.249			0.211		

* significant at 0.1, ** significant at 0.05, *** significant at 0.01, **** significant at 0.001

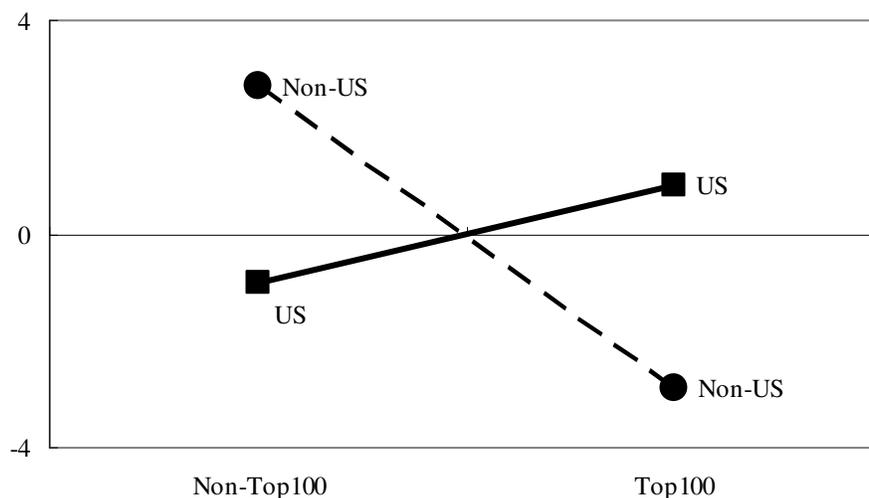
The Effects of Brand Equity

Prior research shows that a substantial fraction of the valuation of consumer goods companies and even some high-technology firms was based on brand equity (Simon and Sullivan, 1993). Brand value seems to have positive impact on firm's financial although brand is a kind of firm's intangible assets. Basic underlying assumptions are brand value is positively related to firm's financial performance and being a global top 100 brand might create favorable company image and brand image. Accordingly, over the years, there has been significant interest among academics and practitioners in understanding the brand equity (Keller and Lehmann, 2006). Strong brands not only deliver greater stock return than a relevant benchmark portfolio but also do so with lower risks (Madden, Fehle and Fournier, 2006).

Drawing on these researches, brand equity value is expected to create positive financial performance such as return. Famous brand name and related equity plays a critical role in forming high performance standard and unique image that can not be imitated by competitors. However, the result shows that sponsor's high brand value has significant negative impact on mean cumulative abnormal stock returns ($b = -6.695, p < 0.001$) and U.S. sponsorship is negatively associated with financial performance ($b = -4.597, p < 0.01$).

Meanwhile, brand popularity in conjunction with other marketing variables influences market share directly as well as indirectly by interacting with country-related intangible assets. The results of empirical analysis show that a competitive analysis without the recognition of country image would be misleading. They found that country-specific intangible assets exist and that they significantly interact with marketing variables differently for U.S. and Japanese brands in the subcompact car market in the USA (Kim and Chung, 1997). The consumer-based equity of a brand is significantly associated with both the macro and micro images of the country of origin of the brand. Based on this finding, it is possible that global consumers may evaluate US firm brand more favorably than non-US firms' brand (Pappu, Quester and Cooksey, 2007). Interestingly, there is interaction between U.S. sponsor and top brand value ($b = 7.952, p < 0.001$), indicating U.S. sponsors with top brand value boost its financial performance as seen in Figure 2. The significant impact of event type on financial outcome was not observed.

Figure 2. Interaction Effect between Brand Value and Country of Origin



The Effects of Fit

Sponsor-event fit was suggested as one of key factors in generating a favorable response from sponsorship (Speed and Thompson, 2000), and high image fit group had more positive corporate image and brand attitude in relation to sponsors than those in the low image fit group (Koo, Morris and Flynn, 2006). However, result shows that only product fit is positively associated with short-term financial outcome ($b=2.784, p<0.1$). The abnormal stock return of a sponsor is regardless of whether it is local company or not. Because most of sponsoring company is characterized by dynamic and active image, a company with high traditional character may cause image incongruence if it sponsors sports events. In this case, other event than sport-related event is more appropriate selection.

Conclusion

Summary

The concept of sports sponsorship still holds good in establishing effective and efficient advertising strategy in today's marketplace. In other words, sports sponsorship is one of the best ways to build a communication path toward consumers (Buchan, 2006). The present study attempts to investigate the potential effect of sports sponsorship on changes in value in terms of stock price by adding sponsors' brand equity, sponsorship fit and event characteristics.

Unfortunately, not every company sponsoring World Cup and PGA enjoys significantly positive cumulative abnormal returns but the short-term financial performance can be enhanced by brand value. Product fit was identified as a potential driver that enhances short-term financial performance. Brand equity and image fit between event and sponsoring company play a key role in explaining the association between sponsorship and financial performance. The event characteristics such as event period, sports type and popularity may moderate in transferring sponsorship into increased financial outcome but result shows there is no impact of those factors.

Implications

Critical elements in the success of event marketing can be defined based on this empirical result. It is essential for companies to assess their brand value and sponsorship fit in selecting most appropriate sports event. This might be because choosing the right event paves way to better access to targeted audience (Shani and Sandler, 2006). For example, exposure to professional tennis Grand Slam broadcasting and indirect advertising of official sponsor are expected to create favorable image toward sponsoring companies that provide prize money and technical support. Viewers and big fans may feel that sponsors are one of the main characters just as tennis player or sponsors who contribute to promote successful tournament.

The research findings indicate that is not obvious that company with strong brand power enjoy more benefits from sponsoring than poor branded company. Of course, company with less strong brand power may have difficulty in sponsoring the big main sports event but if the condition is the same to each other, high brand equity is not always expected to leads to more improvement in firm's value. Given this, sponsorship by company unfamiliar and low brand equity sponsors may result in high brand awareness and recall. Even if Sony, one of the most remarkable global companies, sponsors big sports event, their existing brand image may be

damaged because of the perceived saturation of consumers toward the sponsored advertising and sponsorship.

Practically, it is also important to understand the full range of marketing initiatives involved in a sponsorship. Marketers should make every effort to establish a relationship with the sports event affiliated with the firms sponsored sport (Sherry, 1998). Compared to big sports event, niche sport event organizers should also note that sponsorship at their respective events may possibly be devalued (Miloch and Lambert, 2006). For example, it is hard for antique furniture company to benefit from sports sponsorship. On the contrary, automobile company or transportation firm which give important value to speed and technology can create positive performance relatively to antique furniture company. Therefore, positive changes in firm's value can be attributed to good fit between sports event and sponsoring

Future Research

Increasingly, however, sponsorships are being used strategically inside companies to motivate employee or facilitate a major structural change, such as a merger. Future research should identify the relationship between sports sponsorship and employee, for example, employee's personal identity, morale, job satisfaction. Sports sponsorship effectiveness is still measured largely in terms of fans' TV consumption. New media such as internet broadcasting and other traditional platforms, such as press and radio, play an important role for sports followers (Smythe, 2007; Farrelly, Greyser, 2007).

More detailed and cautious analysis is required to assess the worth of sports sponsorship using sponsorship fit, brand equity and event characteristics identified as moderators in this study. For better research, data collection, estimation of unexpected stock return, and hypothesis testing should be considered with more elaborated variable definition and manipulation.

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